

**GLOBAL GROWERS LIMITED**

**DIRECTORS' REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**GLOBAL GROWERS LIMITED**

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	C J Kilvington J R Scott C Walker (resigned 5 April 2019)
<b>REGISTERED NUMBER</b>	11160799
<b>REGISTERED OFFICE</b>	70 The Strand Bromsgrove Worcestershire B61 8DQ
<b>TRADING ADDRESS</b>	Briary Barn Pury Hill Business Park Alderton Road Towcester Northamptonshire NN12 7LS
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 1-3 College Yard Worcester WR1 2LB
<b>SOLICITORS</b>	Thomas Horton LLP 70 The Strand Bromsgrove Worcestershire B61 8DQ

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**BUSINESS REVIEW**

Turnover achieved in the year was £135,910,314 (period to 31 December 2018: £48,446,379) is in line with the forecasted growth. The net profit after tax of £40,800 (period to 31 December 2018: loss of £892,125) is a result of the investment made in developing business with key customers in 2018. The business is inherently linked to the weather and other agricultural conditions which impact the growers in its supply chain and works closely with its customers to provide quality products at a competitive price.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors constantly monitor the risks and uncertainties facing the Company with particular reference to the exposure on exchange rates, liquidity, inventories and credit risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

The Company uses various financial instruments which include cash, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to manage the Company's daily operations.

The main risks arising from the Company's financial instruments are currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below:

**Currency Risk**

The Company has limited exposure to translation and transaction foreign exchange risk and do not consider this to have a significant impact on its operations.

**Liquidity Risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

**Interest Rate Risk**

The Company finances its operations through a mixture of cash, reinvestment of net income and where required funds loaned from related companies. The Company has minimal exposure to interest rate risks.

**Credit Risk**

The Company's principal financial asset is trade debtors. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk the directors set limits for its customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the management team on a regular basis in conjunction with debt ageing and collection history.

**COVID-19 Risk**

Subsequent to the year end, the COVID-19 pandemic has presented the UK economy and food supply chains with unprecedented challenges. We are pleased to say that the agility and resilience of our UK and overseas offices, our suppliers, logistics and service providers around the world, have allowed us to continue to deliver successfully to our customers. We have had minimal disruption to our supply chain and, whilst the early weeks of lockdown were extremely challenging for predicting demand, we are now enjoying a return to a less disrupted market, and one where we are seeing some growth in the fresh food categories we are involved in. There will continue to be challenges ahead, but we are well placed to react to them.

**DIVIDENDS**

The results of the Company for the year ended 31 December 2019 are set out on page 8.

No dividend has been paid in the current year (period to 31 December 2018: £NIL).

This report was approved by the board and signed on its behalf.

**C J Kilvington**  
Director

Date: 28 May 2020

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS**

The directors who served during the year were:

C J Kilvington  
J R Scott  
C Walker (resigned 5 April 2019)

**FUTURE DEVELOPMENTS**

The directors expect the general level of activity to remain constant in the coming year. The Company continues to develop its relationship with its key customers.

**MATTERS COVERED IN THE STRATEGIC REPORT**

A description of the principle risks and uncertainties has been included in the Strategic Report.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end. The impact of the COVID-19 pandemic has been detailed in the Strategic Report.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**C J Kilvington**  
Director

Date: 28 May 2020

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF GLOBAL GROWERS LIMITED**

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**OPINION**

We have audited the financial statements of Global Growers Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF GLOBAL GROWERS LIMITED (CONTINUED)**

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**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's shareholder in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinions we have formed.

Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

10 June 2020

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

		<b>Year ended 31 December 2019</b>	<b>Period ended 31 December 2018</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	4	<b>135,910,314</b>	48,446,379
Cost of sales		<b>(132,509,812)</b>	(48,792,340)
<b>GROSS PROFIT/(LOSS)</b>		<b>3,400,502</b>	(345,961)
Administrative expenses		<b>(3,306,123)</b>	(599,743)
<b>PROFIT/(LOSS) BEFORE TAX</b>	5	<b>94,379</b>	(945,704)
Tax on profit/(loss)	7	<b>(53,579)</b>	53,579
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>40,800</b>	(892,125)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>40,800</b>	(892,125)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	8	<b>5,684,542</b>	13,276,751
Cash at bank and in hand	9	<b>3,358,749</b>	3,946,967
		<b>9,043,291</b>	17,223,718
Creditors: amounts falling due within one year	10	<b>(9,794,616)</b>	(18,015,843)
<b>NET CURRENT LIABILITIES</b>		<b>(751,325)</b>	(792,125)
<b>NET LIABILITIES</b>		<b>(751,325)</b>	(792,125)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	<b>100,000</b>	100,000
Profit and loss account	14	<b>(851,325)</b>	(892,125)
		<b>(751,325)</b>	(792,125)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**C J Kilvington**  
Director

Date: 28 May 2020

The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	100,000	(892,125)	(792,125)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	40,800	40,800
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
<b>AT 31 DECEMBER 2019</b>	<u>100,000</u>	<u>(851,325)</u>	<u>(751,325)</u>

The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			
Loss for the year	-	(892,125)	(892,125)
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Shares issued during the year	100,000	-	100,000
<b>AT 31 DECEMBER 2018</b>	<u>100,000</u>	<u>(892,125)</u>	<u>(792,125)</u>

The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Year ended 31 December 2019</b>	<b>Period ended 31 December 2018</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	<b>40,800</b>	(892,125)
<b>ADJUSTMENTS FOR:</b>		
Taxation charge	<b>53,579</b>	(53,579)
Decrease/(increase) in debtors	<b>226,464</b>	(5,911,006)
Decrease/(increase) in amounts owed by groups	<b>7,312,166</b>	(7,312,166)
(Decrease)/increase in creditors	<b>(16,275,348)</b>	16,294,807
Increase in amounts owed to groups	<b>8,054,121</b>	1,721,036
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(588,218)</b>	3,846,967
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of ordinary shares	-	100,000
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	-	100,000
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(588,218)</b>	3,946,967
Cash and cash equivalents at beginning of year	<b>3,946,967</b>	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>3,358,749</b>	3,946,967
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank	<b>3,358,749</b>	3,946,967
	<b>3,358,749</b>	3,946,967

The notes on pages 12 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. GENERAL INFORMATION**

Global Growers Limited is a company limited by shares incorporated in England. The registered office is 70 The Strand, Bromsgrove, Worcestershire, B61 8DQ. The principal place of trading is Briary Barn, Pury Hill Business Park, Alderton Road, Towcester, Northamptonshire, NN12 7LS.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company's financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The presentation currency of these financial statements is in Sterling. All amounts in the financial statements have been rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**2.2 GOING CONCERN**

The directors have reviewed budgets and forecasts for a period of 12 months from approval of the financial statements. Profitability is expected to continue, which will allow the company to grow and build resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**2.3 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**2.4 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2. ACCOUNTING POLICIES (continued)**

**2.5 IMPAIRMENT OF ASSETS**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**(i) Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**(ii) Financial assets**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

**2.6 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.8 FOREIGN CURRENCY TRANSLATION**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the Statement of comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. ACCOUNTING POLICIES (continued)

2.9 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.10 CURRENT AND DEFERRED TAXATION

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and to settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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3.

**JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Income taxes**

The Company is subject to the income tax laws of the United Kingdom. These laws are complex and subject to different interpretations by taxpayers and tax authorities. When establishing income tax provisions, the directors make a number of judgements and interpretations about the application and interaction of these laws. Changes in these tax laws or in their interpretation could affect the Company's effective tax rate and the results of operations in a given period. Accordingly, potentially significant tax benefits will not be recognised until there is sufficient certainty that they will be accepted by HMRC.

4. **TURNOVER**

Turnover is recognised when goods are received by the customer and the risks and rewards of ownership have passed to them. Turnover is measured at the fair value of consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and Value Added Tax.

There is only one class of business which is the sale of fruit and vegetables.

All turnover arose within the United Kingdom and the Republic of Ireland.

5. **OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging:

	<b>Year ended 31 December 2019 £</b>	<b>Period ended 31 December 2018 £</b>
Audit fees	<b>10,750</b>	7,200
Non-audit fees	<b>1,100</b>	800
Exchange differences	<b>46,683</b>	(184,265)

The directors do not receive any emoluments directly from the Company. The Company does not have any employees. Management charges from an associate company include recharged staff costs of £NIL (2018: £331,719).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

6. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2018: £NIL).

7. TAXATION

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
<b>TOTAL CURRENT TAX</b>	-	-
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	53,579	(53,579)
<b>TOTAL DEFERRED TAX</b>	53,579	(53,579)
<b>TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	53,579	(53,579)

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%) as set out below:

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Profit/(Loss) on ordinary activities before tax	94,379	(945,704)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	17,932	(179,684)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	487	-
Other timing differences leading to an increase in taxation	53,579	(53,579)
Unrelieved tax losses carried forward	-	59,563
Utilisation of tax losses brought forward	(18,419)	-
Group relief	-	120,121
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	53,579	(53,579)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

## 8. DEBTORS

	2019 £	2018 £
Trade debtors	5,244,729	5,908,641
Amounts owed by group undertakings	-	7,312,166
Other debtors	439,813	2,365
Deferred taxation	-	53,579
	<u>5,684,542</u>	<u>13,276,751</u>

## 9. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	3,358,749	3,946,967
	<u>3,358,749</u>	<u>3,946,967</u>

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	1,389	1,207
Amounts owed to group undertakings	9,775,157	1,721,036
Accruals and deferred income	18,070	16,293,600
	<u>9,794,616</u>	<u>18,015,843</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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11. FINANCIAL INSTRUMENTS

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	3,358,749	3,946,967
Financial assets that are debt instruments measured at amortised cost	5,244,729	13,220,807
	<u>8,603,478</u>	<u>17,167,774</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(9,794,616)</u>	<u>(18,015,843)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed to group undertakings.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

## 12. DEFERRED TAXATION

	2019 £
At beginning of year	53,579
Charged to profit or loss	(53,579)
<b>AT END OF PERIOD</b>	<b>-</b>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Tax losses carried forward	-	53,579
	-	53,579

## 13. SHARE CAPITAL

## SHARES CLASSED AS EQUITY

	2019 £	2018 £
<b>ALLOTTED, CALLED UP AND PARTLY PAID</b>		
100,000 (2018: 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

## 14. RESERVES

## Profit and loss account

This reserve includes all current and prior periods retained profits and losses.

## 15. RELATED PARTY TRANSACTIONS

	2019 £	2018 £
Purchases from group undertakings	129,478,482	32,166,343
Trading amounts due from group undertakings	-	7,312,166
Trading amounts due to group undertakings	9,775,157	1,721,036
Amounts owed from group undertakings included within accruals	<u>-</u>	<u>15,060,940</u>

**16. CONTROLLING PARTY**

The Company's immediate parent is Global Pacific Food Group. The Company is controlled by its ultimate parent Klear Holdings Limited, a company incorporated in the Bahamas. The ultimate controlling party is C J Kilvington.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.